

SECOND REGULAR SESSION

HOUSE BILL NO. 1837

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BERKOWITZ, SHOEMYER (9), WHORTON, HAMPTON, DAVIS, COPENHAVER, SMITH (Co-sponsors), SHOEMAKER (8), SEIGFREID, LEGAN, QUINN, BRITT, MERIDETH, MYERS AND KELLY (36).

Read 1st time February 7, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

4333L.01I

AN ACT

To repeal section 142.028, RSMo, and to enact in lieu thereof one new section relating to the Missouri qualified fuel ethanol producer incentive fund.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 142.028, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 142.028, to read as follows:

142.028. 1. As used in this section, the following terms mean:

(1) "Fuel ethanol", one hundred ninety-eight proof ethanol denatured in conformity with the United States Bureau of Alcohol, Tobacco and Firearms' regulations and fermented and distilled in a facility whose principal (over fifty percent) feed stock is cereal grain or cereal grain by-products;

(2) "Fuel ethanol blends", a mixture of ninety percent gasoline and ten percent fuel ethanol in which the gasoline portion of the blend or the finished blend meets the American Society for Testing and Materials - specification number D-439;

(3) "Missouri qualified fuel ethanol producer", any producer of fuel ethanol whose principal place of business and facility for the fermentation and distillation of fuel ethanol is located within the state of Missouri and which has made formal application, posted a bond, and conformed to the requirements of this section.

2. The "Missouri Qualified Fuel Ethanol Producer Incentive Fund" is hereby created and subject to appropriations shall be used to provide economic subsidies to Missouri qualified fuel ethanol producers pursuant to this section. The director of the department of agriculture shall

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 administer the fund pursuant to this section.

17 3. A Missouri qualified fuel ethanol producer shall be eligible for a monthly grant from
18 the fund, except that a Missouri qualified fuel ethanol producer shall only be eligible for the
19 grant for a total of sixty months **unless such producer during those sixty months failed, due**
20 **to a lack of appropriations, to receive the full amount from the fund for which they were**
21 **eligible, in which case such producers shall continue to be eligible for up to twenty-four**
22 **additional months or until they have received the maximum amount of funding for which**
23 **they were eligible during the original sixty month time period.** The amount of the grant is
24 determined by calculating the estimated gallons of qualified fuel ethanol production to be
25 produced from Missouri agricultural products for the succeeding calendar month, as certified by
26 the department of agriculture, and applying such figure to the per-gallon incentive credit
27 established in this subsection. Each Missouri qualified fuel ethanol producer shall be eligible
28 for a total grant in any [calendar] **fiscal** year equal to twenty cents per gallon for the first twelve
29 and one-half million gallons of qualified fuel ethanol produced from Missouri agricultural
30 products in the [calendar] **fiscal** year plus five cents per gallon for the next twelve and one-half
31 million gallons of qualified fuel ethanol produced from Missouri agricultural products in the
32 [calendar] **fiscal** year. All such qualified fuel ethanol produced by a Missouri qualified fuel
33 ethanol producer in excess of twenty-five million gallons shall not be applied to the computation
34 of a grant pursuant to this subsection. The department of agriculture shall pay all grants for a
35 particular month by the fifteenth day after receipt and approval of the application described in
36 subsection 4 of this section. If actual production of qualified fuel ethanol during a particular
37 month either exceeds or is less than that estimated by a Missouri qualified fuel ethanol producer,
38 the department of agriculture shall adjust the subsequent monthly grant by paying additional
39 amount or subtracting the amount in deficiency by using the calculation described in this
40 subsection.

41 4. In order for a Missouri qualified fuel ethanol producer to obtain a grant from the fund
42 for a particular month, an application for such funds shall be received no later than fifteen days
43 prior to the first day of the month for which the grant is sought. The application shall include:

44 (1) The location of the Missouri qualified fuel ethanol producer;

45 (2) The average number of citizens of Missouri employed by the Missouri qualified fuel
46 ethanol producer in the preceding quarter, if applicable;

47 (3) The number of bushels of Missouri agricultural commodities used by the Missouri
48 qualified fuel ethanol producer in the production of fuel ethanol in the preceding quarter;

49 (4) The number of gallons of qualified fuel ethanol the producer expects to manufacture
50 during the month for which the grant is applied;

51 (5) A copy of the qualified fuel ethanol producer license required pursuant to subsection

52 5 of this section, name and address of surety company, and amount of bond to be posted pursuant
53 to subsection 5 of this section; and

54 (6) Any other information deemed necessary by the department of agriculture to
55 adequately ensure that such grants shall be made only to Missouri qualified fuel ethanol
56 producers.

57 5. The director of the department of agriculture, in consultation with the department of
58 revenue, shall promulgate rules and regulations necessary for the administration of the provisions
59 of this section. The director shall also establish procedures for bonding Missouri qualified fuel
60 ethanol producers. Each Missouri qualified fuel ethanol producer who attempts to obtain moneys
61 pursuant to this section shall be bonded in an amount not to exceed the estimated maximum
62 monthly grant to be issued to such Missouri qualified fuel ethanol producer.

63 6. No rule or portion of a rule promulgated under the authority of this section shall
64 become effective unless it has been promulgated pursuant to the provisions of section 536.024,
65 RSMo.